



**Kennedy Way Shopping Centre**

**Immingham**

**DN40 2AB**

**Service Charge Expenditure Report**

**24<sup>th</sup> June 2021 to 23<sup>rd</sup> June 2022**



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Johnson Fellows. Charter House, Newhall Street, Birmingham, B3 1SW





## **Introduction**

This report has been produced by Johnson Fellows on behalf of the Landlord, Tesco Stores Limited. It is intended to provide details of the expenditure incurred during the 12-month period ending June 2022 service charge year.

## **The Property**

The premises consists of 2 retail units. It is located in Immingham town centre off Washdyke Lane. The site benefits from a front car parking facility, landscaped area and rear service yard which are maintained directly by the service charge.

## **Voids and Concessions**

The service charge for any void lettable units or attributable to any service charge concessions is the responsibility of the Landlord.

## **VAT**

The Landlord has elected the property for VAT.

The service charge payable by the commercial lessees will have VAT charged at the standard rate.

## **Banking**

Due to the general level of service charge funds, they are not maintained within a discrete bank account. The funds are held within the Johnson Fellows Clients Account which is maintained with Barclays Bank plc. As a consequence the service charge is not credited with any interest, neither are any bank charges allocated to the service charge.

Interest charged on late payment of service charge by tenants is to be credited to the service charge.

There is no sinking fund or reserve fund.



### **Service Charge Objectives**

The object of this budget report is to provide clear explanation of the planned service charge expenditure on a not for profit/not for loss basis. It is also to promote clarity and transparency and to allow the leaseholders to budget accurately for the forthcoming year.

We encourage leaseholders to provide comments on the format and/or the information contained in this report which would assist in the report being improved for the benefit of all concerned. We would also welcome constructive feedback on the communal services provided at the property.

As Managing Agents, Johnson Fellows aims to provide a high-quality management service in order to provide a well maintained environment, and delivering value for money for the service charge expenditure.

The service charge is administered having regard to Service Charges in Commercial Property; RICS Code of Practice.



## **Management Team**

### Facilities Manager:

Chris Monteith  
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW  
Direct Dial: 0121 234 0409  
Mobile: 07786 072 755  
Email: [chris.monteith@johnsonfellows.co.uk](mailto:chris.monteith@johnsonfellows.co.uk)

Chris Monteith is responsible for the repair and maintenance of the property and statutory compliance.

### Management Surveyor:

George Brittain  
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW  
Direct Dial: 0121 234 0454  
Mobile: 07884 352 576  
Email: [george.brittain@johnsonfellows.co.uk](mailto:george.brittain@johnsonfellows.co.uk)

George Brittain is responsible for the overall management of the property.

### Service Charge Accountant:

Rebecca Glover  
Client Accounts  
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW  
Direct Dial: 0121 234 0405  
Email: [rebecca.glover@johnsonfellows.co.uk](mailto:rebecca.glover@johnsonfellows.co.uk)

Rebecca Glover is the client accountant responsible for this property.



### **Service Charge Apportionment**

The service charge provisions are set out in each tenants lease. These consistently provide for each tenant to pay a due proportion of the service charge which is attributable to each tenant's premises. The due proportion is based primarily on the net internal area of each property relative to the total net internal area of all units. If such apportionment is inappropriate, the Landlord has reasonable discretion to adopt such other due proportion as is fair and reasonable. This may include attributing the whole expenditure to a particular unit.

The service charge percentage apportionments are detailed in Appendix A.



## **Budget Commentary**

### **SCHEDULE 1**

***All figures are shown net of VAT***

- **Management Fee** **£6,106.00**

This figure represents the cost incurred for the management of the property and administration of the service charge, including periodic inspection. The RICS Service Charge Code of Practice recommends that this be a fixed fee, subject to annual review or indexation.

- **Audit Fee** **£300**

The RICS Service Charge Code of Practice states that service charge accounts should be independently certified on an annual basis.

- **Facilities Management** **£2,707.00**

The cost for the Facilities Manager to organise and supervise the service charge contracts and maintenance works.

- **Statutory Compliance** **£597.60**

Annual cost for the servicing and certification for the fire alarm, lightning conductor and Mansafe system

- **Electricity Supply** **£2,000.00**

Costs recharge by the superior landlord for the external lighting of the car park. Accrual for charge received outside of period.

- **External Cleaning** **£5,110.00**

This is the cost for a daily litter pick of the car park area and weed treatments where required.

- **Window Cleaning** **£595.00**

Cost for cleaning all external windows

- **Pest Control** **£1,195.02**

The annual pest control contract to attend every six week to re-stock the bait traps.

- **Gritting** **£1,807.08**

Adhoc gritting cost

- **Drainage** **£1,930.00**

Annual aco drain cleaning, gutter clearance and drain cover repair.



- **M&E Maintenance** **£545.00**

Periodic inspections of all communal plant on site and a force test on the service yard gate.

- **External repairs and Maintenance** **£3,430.00**

Cost for multiple PPM works including, roof, downpipes, canopy, soffits and fascias cleaning and maintenance. Painting rear fire doors, repointing coping stones, repointing brickwork, removal of graffiti.

- **Car Park Maintenance** **£3,250.00**

Various car park jobs including, repainting car park brickwork, replacing manhole covers, re-levelling areas, pot hole repairs, re-lining areas.

- **Boundary Maintenance** **£1,803.40**

The cost for replacing a number of fence panels, extensive removal of graffiti, and maintenance of the electric gate. Levelling paving stones on walk ways,

- **Service Yard Maintenance** **£1,000.00**

Clean service yard, treat moss and weeds, re-line bays, and clear out debris from around transformer, reinstate bollards and paint columns with intumescent paint.

- **Building Repair** **£1,450.00**

Cost for installing 3 hasp and staple locks to side ally and roof access, hammerright fire exit doors and install no access sign to roof access.

- **Electrical repairs** **£813.96**

Landlord recharge for carpark lighting repairs.

- **Interest** **-£8.79**

Any interest received from late payment on service charge demands is paid to the service charge.

**Total**

**Schedule 1** **£36,728.35**

.....  
Management Surveyor

.....  
Facilities Manager



## Appendix A

Immingham Superstore Kennedy Way Washdyke Lane S/C (02140)

### **Service Charge Unit Percentages**

Recovery Group = sc

Tree = ysi\_bf

Reconciliation Period = 24/06/2021-23/06/2022

\*Amounts in gbp

<b>Unit</b>	<b>Tenant</b>	<b>Days</b>	<b>Schedule 1</b>
0001	<b>Tesco Stores Ltd (Original)</b>	365.00	56.3500
0002	<b>T J Morris Ltd (Original)</b>	365.00	43.6500
	<b>Total</b>		<b>100.0000</b>



## Appendix B

Immingham Superstore Kennedy Way Washdyke Lane S/C (02140)

### Service Charge Budget Comparison

Recovery Group = sc

Tree = ysi\_bf

Reconciliation Period = 24/06/2021-23/06/2022

\*Amounts in gbp

Code	Description	Actual (06/2022)	Budget (06/2022)	Variance	%
<b>1</b>	<b>Schedule 1</b>				
5100-0101	Management Fee	6,106.00	6,106.00	0.00	0.0000
5100-0203	S/C Audit Fees	300.00	300.00	0.00	0.0000
5100-0309	Facilities Manager	2,707.00	2,707.00	0.00	0.0000
5100-0401	Landlords risk assessments, audits	597.60	2,000.00	-1,402.40	-70.1200
5100-0402	Health & Safety	0.00	1,000.00	-1,000.00	-100.0000
5200-0501	Electricity	2,000.00	2,000.00	0.00	0.0000
5300-1002	External Cleaning	5,110.00	6,000.00	-890.00	-14.8333
5300-1003	Window cleaning	595.00	3,600.00	-3,005.00	-83.4722
5300-1007	Pest control	1,195.02	2,000.00	-804.98	-40.2490
5300-1010	Snow clearance / Gritting	1,807.08	0.00	1,807.08	
5300-1016	Drainage	1,930.00	1,000.00	930.00	93.0000
5400-1201	M&E Maintenance contract	545.00	3,000.00	-2,455.00	-81.8333
5400-1502	External Repairs and maintenance	3,430.00	4,000.00	-570.00	-14.2500
5400-1505	Car Park Maintenance	3,250.00	5,000.00	-1,750.00	-35.0000
5400-1506	External Maintenance	2,097.08	0.00	2,097.08	
5400-1525	Boundary Maintenance	1,803.40	2,000.00	-196.60	-9.8300
5400-1527	Service Yard Maintenance	1,000.00	1,000.00	0.00	0.0000
5400-1530	Building Repair	1,450.00	3,000.00	-1,550.00	-51.6667
5400-1535	Electrical Repair	813.96	1,000.00	-186.04	-18.6040
5500-1601	Interest	-8.79	0.00	-8.79	
	<b>Schedule Total</b>	<b>36,728.35</b>	<b>45,713.00</b>	<b>-8,984.65</b>	<b>-19.6545</b>

**TESCO STORES LTD**

**KENNEDY WAY, WASHDYKE LANE  
IMMINGHAM**

**SERVICE COSTS AUDIT STATEMENT**

**YEAR ENDED 23RD JUNE 2022**



**Kennedy Way, Washdyke Lane  
Immingham  
Certificate of Service Costs for the year ended 23rd June 2022**

	2022	2021
<b>Schedule 1</b>		
Cleaning	5,110.00	3,650.00
Pest Control	1,195.02	1,117.88
Window Cleaning	595.00	2,007.13
Boundary Maintenance	1,803.40	1,033.40
Building Repair	1,450.00	2,125.00
External Repairs and Maintenance	3,430.00	-
Maintenance Contract	545.00	-
Gritting	1,807.08	-
Service Yard Maintenance	1,000.00	-
Drain Maintenance	1,930.00	850.00
Electrical Repair	813.96	450.00
External Maintenance	2,097.08	737.50
Electrical Supply	2,000.00	2,511.18
Car Park Maintenance	3,250.00	-
Statutory Compliance	597.60	1,789.14
Interest	(8.79)	-
Audit Fees	300.00	300.00
Management Fees	6,106.00	5,720.00
Facilities Management	2,707.00	2,620.00
	<u>36,728.35</u>	<u>24,911.23</u>
<b>Total expenditure</b>	<u><b>36,728.35</b></u>	<u><b>24,911.23</b></u>

**Independent Accountant's Review Report**

To the Manager, Kennedy Way, Washdyke Lane, Immingham

We have reviewed the statement of service charge expenditure for the above property for the year ended 23 June 2022. The statement of service charge expenditure has been prepared by the Manager in accordance with guidance issued by the RICS in the Code of Practice, Services Charges in Commercial Property, Third edition.

**Manager's Responsibility for the Statement of service charge expenditure**

The Manager is responsible for the preparation of the statement of service charge expenditure and for such internal control as the Manager determines is necessary to enable the preparation of statements that are free from material misstatement, whether due to fraud or error.

**Reporting Accountant's Responsibility**

Our responsibility is to express a conclusion on the statement of service charge expenditure based on the procedures we have performed and the evidence we have obtained. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400, Engagements to Review Historical Financial Statements (Revised). ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the statement of service charge expenditure, taken as a whole, is not prepared in all material respects in accordance with the provisions of the Code of practice 'Service charges in commercial property' issued by the RICS. ISRE 4000 (Revised) also requires us to comply with relevant ethical requirements.

A review of a statement of service charge expenditure in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The reporting accountant performs procedures, primarily consisting of making inquiries of management and others responsible for the services that comprise the service charge on this property, as appropriate, and applying analytical procedures, and evaluates the evidence obtained. The procedures do not include review of the allocation or apportionment of service charge expenditure to occupiers.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the statement of service charge expenditure.

**Conclusion**

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the statement of service charge expenditure is not prepared, in all material respects, in accordance with the provisions of the Code of practice 'Service charges in commercial property' issued by the RICS.

**Basis of Accounting and Restriction on Distribution and Use**

Our report is made in accordance with the terms of our engagement and is intended solely for the Manager to issue to current occupiers. This report should not be distributed to or used by other parties. Our work has been undertaken to enable us to make this report to the Manager and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility or liability to anyone other than the Manager in connection with the report or this engagement.



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